

43-92
RESOLUTION

RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF NAVAJO COUNTY, ARIZONA, TO SELL \$4,800,000 AGGREGATE PRINCIPAL AMOUNT OF JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2 OF NAVAJO COUNTY, ARIZONA, SCHOOL IMPROVEMENT BONDS, PROJECT OF 1992 SERIES A 1992; REQUESTING THAT THE BOARD OF SUPERVISORS APPROVE AND ORDER EXECUTION OF A BOND PURCHASE AGREEMENT FOR THE SALE OF THE BONDS AND ADOPT A RESOLUTION AUTHORIZING THE ISSUANCE OF THE BONDS AND THE SALE OF THE BONDS TO THE UNDERWRITER MENTIONED HEREIN; AUTHORIZING THE PRESIDENT AND CLERK OF THIS BOARD TO EXECUTE AND DELIVER THE BONDS AGAINST PAYMENT THEREFOR; APPROVING THE FORM OF AND AUTHORIZING THE ENTRY INTO AND EXECUTION OF A REGISTRAR'S FEE PAYMENT AGREEMENT PERTAINING TO THE REGISTRATION, TRANSFER AND PAYMENT OF THE BONDS; APPROVING A CONTRACT FOR SERVICES OF REGISTRAR, TRANSFER AND PAYMENT OF THE BONDS; APPROVING PREPARATION OF A PRELIMINARY OFFICIAL STATEMENT AND THE DELIVERY THEREOF; AUTHORIZING THE PRESIDENT TO EXECUTE THE FINAL OFFICIAL STATEMENT AND AUTHORIZING CIRCULATION OF THE FINAL OFFICIAL STATEMENT; RATIFYING ALL ACTIONS TAKEN TO FURTHER THIS RESOLUTION; MAKING CERTAIN TAX COVENANTS; AND DIRECTING THAT A COPY OF THIS RESOLUTION AND A COMMUNICATION BE DELIVERED TO THE BOARD OF SUPERVISORS OF THIS COUNTY.

WHEREAS, Joseph City Unified School District No. 2 of Navajo County, Arizona (the "District"), held a special bond election in and for the District on March 10, 1992, at which election a majority of the qualified electors voting at said election authorized the issuance of School Improvement Bonds; and

WHEREAS, the District has received a proposal from Rauscher Pierce Refsnes, Inc. to purchase \$4,800,000 aggregate principal amount of such bonds at negotiated sale; and

WHEREAS, the Governing Board hereby requests that the Board of Supervisors of this County offer \$4,800,000 aggregate principal amount of said School Improvement Bonds for sale to Rauscher Pierce Refsnes, Inc. (the "Underwriter") and to enter into a bond purchase agreement (the "Bond Purchase Agreement") by and among Navajo County, Arizona, the District and the Underwriter providing for the sale of such bonds to the Underwriter;

NOW, THEREFORE, IT IS RESOLVED BY THE GOVERNING BOARD OF JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2 OF NAVAJO COUNTY, ARIZONA, as follows:

Section 1. The Governing Board of the District hereby requests the Board of Supervisors of this County to

authorize the issuance of and cause to be issued and sold \$4,800,000 aggregate principal amount of School Improvement Bonds, Project of 1992, Series A 1992 (the "Bonds"), and to sell the Bonds to the Underwriter pursuant to the Bond Purchase Agreement.

Section 2. The Bonds will be dated May 15, 1992, and will bear interest from their date to the maturity of each of the Bonds at a rate or rates of interest of not to exceed 12% per annum. The actual principal amounts, maturity dates and interest rates shall be as set forth in a resolution of the Board of Supervisors and as approved by the District's Superintendent or Business Manager and the President and Clerk of this Board (which approval shall be deemed conclusive by the execution and delivery of the Bond Purchase Agreement). Interest on the Bonds shall be paid on January 1, 1993, and semiannually thereafter on each succeeding July 1 and January 1 during the term of the Bonds. The Bonds to be in the denomination of \$5,000 each or integral multiples thereof, and shall be fully registered as to principal and interest and without coupons.

Section 3.

A. The President and Clerk of this Board are hereby authorized to execute the printed Bonds and to cause the same to be delivered to or upon the order of the Underwriter against payment therefor to the County Treasurer. Both signatures may be affixed to the Bonds manually or by mechanical reproduction; and if by mechanical reproduction, such officers shall manually sign a certificate adopting as and for their signatures on the Bonds the respective mechanically reproduced signatures affixed to the Bonds. Notwithstanding any provision of this Section, no bond will ever bind the District until it has been authenticated by the manual signature of an authorized representative of the Registrar.

B. The President or the Clerk are authorized to execute the Bond Purchase Agreement on behalf of the District. The Bond Purchase Agreement shall be in such form as approved by the Board of Supervisors of Navajo County and by the District's Superintendent or Business Manager.

C. The preparation of a preliminary official statement in a form that is approved and deemed as "final" for all purposes of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934, by the District's Superintendent or Business Manager, is hereby approved and its distribution by the Underwriter is hereby authorized. The District will cause a final official statement (the "Official Statement") in substantially the form of the preliminary official statement referred to above to be

prepared and distributed with the Bonds upon initial issuance. The President and Clerk are authorized to approve, execute and deliver the Official Statement on behalf of the District and the execution by the President and Clerk shall be deemed conclusive evidence of such approval.

Section 4. The Clerk is hereby directed to cause an executed copy of this resolution to be delivered to the Board of Supervisors of this County, together with a communication signed by the President and Clerk of this Board requesting the sale of the Bonds in accordance with this resolution.

Section 5. This Board nominates The Valley National Bank of Arizona, as the Registrar, Transfer Agent and Paying Agent. This Board hereby requests that such nominee be appointed by the County and the County Treasurer as Registrar, Transfer Agent and Paying Agent for the Bonds.

Section 6. The form of Registrar's Fee Payment Agreement attached hereto concerning payment of fees of the Registrar, Transfer Agent and Paying Agent for the Bonds is hereby approved and the President of this Board is directed to execute such Fee Payment Agreement in substantially the form attached hereto and cause the same to be delivered to the Navajo County Treasurer.

Section 7. The form of Registrar's contract attached hereto concerning duties of the Registrar, Transfer Agent and Paying Agent for the Bonds is hereby approved and the President of this Board or the Superintendent of the District is hereby directed to acknowledge such approval on a contract in substantially the form attached hereto.

Section 8. The District covenants to take all actions necessary hereafter to assure that the interest paid on the Bonds is at the time of issuance and remains thereafter excluded from gross income for federal income tax purposes. The officers and agents of the District are hereby authorized and directed to take such actions and to give such certifications as may be appropriate to assure compliance with the aforesaid covenant.

With respect to the Bonds herein requested to be sold, the District's Superintendent or Business Manager, the Navajo County Treasurer or a partner of Gust Rosenfeld, bond counsel to the District, is authorized to execute and file on behalf of the District information reporting returns and to file or deliver such other information as may be required by Section 149(e) of the Internal Revenue Code of 1986, as amended (the "Code").

The District hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The District certifies that it reasonably anticipates that the aggregate amount of qualified tax-exempt obligations (as defined in Section 265(b)(3)(B) of the Code) which will be issued for or by the District in calendar year 1992 will not exceed \$10,000,000. The District further certifies that it has no subordinate entities as such term is used in Section 265 of the Code. Prior to the issuance of the Bonds, the President and Clerk shall confirm that the foregoing certification is still correct and recertify such facts at such time.

The Board further authorizes the employment of such experts and consultants to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of the Code. The President, Clerk, Superintendent or Business Manager of the District are authorized to make any applicable elections necessary to avoid the rebate to the federal government of certain of the investment earnings attributable to the Bonds.

Section 9. The District certifies as follows:

A. The District is a governmental unit with general taxing powers;

B. No bond which is a part of the Bonds to be issued in accordance with this resolution is a private activity bond as defined in Section 141 of the Code; and

C. Ninety-five percent (95%) or more of the net proceeds of such issue are to be used for local government activities (i.e., school facilities) of the District.

The officers of the District charged with issuing the Bonds shall determine if the facts and conclusions stated in this Section are correct as of the date of issuance of the Bonds and, if correct, are authorized and directed to execute a certificate to that effect and cause the same to be delivered to the initial purchaser of the Bonds.

Section 10. Pursuant to A.R.S. § 15-1025(A) and in accordance with Section 8 hereof, the District hereby requests that the Board of Supervisors consent to the investment and reinvestment of the construction fund and debt service funds pertaining to the Bonds. The foregoing request is made for the remainder of the current fiscal year and for all future fiscal years during the life

of the Bonds. For purposes of A.R.S. § 15-1025(A), the request herein contained shall be deemed to have been made prior to all future fiscal years.

Section 11. All actions of the officers and agents of the District which conform to the purpose and intent of this resolution and which further the issuance and sale of the Bonds as contemplated by this resolution whether heretofore or hereafter taken shall be and are hereby ratified, confirmed and approved. The proper officers and agents of the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District as may be necessary to carry out the terms and intent of this resolution.

Section 12. A copy of this resolution and the accompanying letter shall be delivered to the Board of Supervisors of Navajo County.

PASSED AND ADOPTED on April 7, 1992.



President

ATTEST:



Clerk

Attachments:

Registrar's Fee Payment Agreement
Form of Registrar's Contract

DISTRICT FEDERAL TAXPAYER I.D. NO. _____

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT FOR
BONDS OF JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2 OF NAVAJO
COUNTY, ARIZONA

This Bond Register, Transfer Agent and Paying Agent Contract dated as of June 1, 1992 (the "Agreement"), made and entered into by and among NAVAJO COUNTY (hereinafter called the "County"); J. R. DeSpain COUNTY TREASURER (hereinafter called the "Treasurer"); and THE VALLEY NATIONAL BANK OF ARIZONA (hereinafter called the "Bank") witnesseth as follows:

The Treasurer is responsible for principal and interest redemption funds for all school districts within the County. One of the school districts, Joseph City Unified School District No. 2 of Navajo County, Arizona (the "District"), will have its bonds issued by the Board of Supervisors of the County. Said bonds will be known as Joseph City Unified School District No. 2 of Navajo County, Arizona, School Improvement Bonds, Project of 1992, Series A 1992 (the "Bonds"), to be in the aggregate principal amount of \$4,800,000 and to mature on July 1 in each of the years 1993 to 2002, inclusive. The services of a Registrar, Transfer Agent and Paying Agent are necessary and in the best interests of the District.

The Bank desires to perform Registrar, Transfer Agent and Paying Agent Services during the life of Bonds.

For and in consideration of the mutual promises, covenants, conditions and agreements hereinafter set forth, the parties do agree as follows:

1. Services. The Bank hereby agrees to provide the following services:

A. Registrar services which shall include, but not be limited to (1) initial authentication and verification of the Bonds; (2) keeping registration books sufficient to comply with Section 149 of the Internal Revenue Code of 1986, as amended (the "Code"); (3) recording transfers of ownership of the Bonds promptly as such transfers occur; (4) protecting against double or over-issuance; (5) authenticating new Bonds prepared for issuance

to transferees of original and subsequent purchasers; (6) informing the District of the need for additional printings of the Bonds should the forms printed prior to initial delivery prove inadequate; and (7) lodging with the Treasurer the signatures of the persons authorized and designated from time to time to authenticate the Bonds.

B. Transfer agent services which shall include, but not be limited to, (1) receiving and verifying all Bonds tendered for transfer; (2) preparing new Bonds for delivery to transferees and delivering same either by delivery or by mail, as the case may be; (3) destroying Bonds submitted for transfer; and (4) providing proper information for recordation in the registration books.

C. Paying agent services which shall include, but not be limited to, (1) providing a billing to the Treasurer at least thirty (30) days prior to a Bond interest payment date setting forth the amount of principal and interest due on such date; (2) preparing, executing and mailing all interest payment checks to each registered owner of the Bonds one (1) business day prior to the scheduled payment date or as soon as money for payment of such interest has been transferred to the paying agent; (3) verifying all matured Bonds upon their surrender; (4) paying or causing to be paid all principal and premium, if any, due upon Bonds as they are properly surrendered therefor to Bank; (5) retaining proof of such payment for six (6) years after payment; and (6) making such proof available to the Treasurer or any owner or former owner.

2. Record Date. The Record Date for the payment of interest will be the fifteenth day of the month preceding an interest payment date, unless the Record Date falls on a Saturday, Sunday or holiday, in which case the Record Date will be deemed to be the previous business day. Normal transfer activities will continue after the Record Date but the interest payment on a particular certificate will be mailed to the registered owners of Bonds as shown on the books of the Bank on the close of business on the Record Date. Principal (and premium, if any) shall be paid only on surrender of the particular Bond at or after its maturity or prior redemption date, if applicable.

3. Issuance and Transfer of Bonds. The Bank will issue Bonds to registered owners, require Bonds to be surrendered and cancelled and new Bonds issued upon transfer, and maintain a set of registration books showing the

names and addresses of the owners from time to time of the Bonds. The Bank shall promptly record in the registration books all changes in ownership of Bonds.

4. Payment Deposit. The Treasurer will transfer immediately available funds to the Bank no later than one (1) business day prior to or, if agreed to by the parties hereto, on the date on which the interest, principal and premium payments (if any) are due on the Bonds. The Bank hereby agrees that all moneys held by it as paying agent shall be held in trust for the benefit of the owners of the Bonds. The Bank shall not be responsible for payments to Bondholders from any source other than moneys transferred to it by the Treasurer.

5. Collateral. The Bank shall collateralize the funds on deposit at Bank in accordance with A.R.S. §§ 35-323 and 35-491.

6. Turnaround Time. The Bank will comply with the 72-hour turnaround time required by Securities and Exchange Commission Rule 17(A)(d)(2) on routine transfer items.

7. Fee Schedule; Initial Fee. For its services under this Agreement, the Treasurer shall pay the Bank in accordance with the fee schedule set forth in the attached Appendix A, which is incorporated herein by reference. The initial fee for the Bank's services hereunder until the end of the District's current fiscal year is estimated to be the amount shown in Section 21 hereof and shall be due at the initial delivery of Bonds and shall be payable from proceeds of the Bonds. Subsequent payments shall be made in accordance with this Agreement and the Registrar's Fee Payment Agreement dated of even date herewith.

8. Fees for Services in Subsequent Fiscal Years. The Bank will bill the District prior to June 1, ____, and prior to each May 1 thereafter.

9. Facility and Services. If requested by the District or the Treasurer, the Bank will provide a facility for the examination and packaging of Bonds prior to Bond closing, a suitable room for Bond closing and assist with all details of Bond closing, including transfer of Bond proceeds. The Bank will cause its authorized representative to execute the authentication on the face of the Bonds at least one (1) day prior to actual closing. Upon payment of

any added costs and giving of proper indemnity as the Bank shall determine, custody of the Bonds may be given to the initial purchaser at least one day prior to closing.

10. Hold Harmless. The Bank shall indemnify and hold harmless the County, its Board of Supervisors, the Treasurer, the District and all boards, commissions, officials, officers and employees of the County, the Treasurer and the District, individually and collectively, from the Bank's failure to perform to its standard of care as herein stated.

11. Standard of Care Required of Bank. In performing its duties hereunder, the Bank shall exercise that care which a prudent person would exercise in dealing with such person's own property and funds.

12. Entire Agreement. This Agreement and Appendix A attached hereto contain the entire understanding of the parties with respect to the subject matter hereof, and no waiver, alteration or modification of any of the provisions hereof, shall be binding unless in writing and signed by a duly authorized representative of all parties hereto.

13. Amendment/Termination. The County or the Treasurer reserves the right to amend or terminate any individual service set forth in this Agreement or all of the services upon providing a sixty (60) day prior written notice.

14. Receipt. By execution of this agreement the Bank hereby acknowledges receipt of (1) resolution(s) of the County Board of Supervisors authorizing the issuance of Bonds, the Notice Inviting Proposals for the Purchase of the Bonds and the proposal of the winning bidder therefor; (2) a signature certificate showing the actual signatures of the persons executing the Bonds and adopting as and for their signatures the signatures on the Bonds; (3) Treasurer's Receipt acknowledging payment of the entire principal amount of Bonds and any accrued interest or premium due thereon; (4) the approving Bond Counsel opinion of Gust Rosenfeld; and (5) the debt service payment schedule.

15. Reports to Arizona Department of Revenue.

The Bank shall make such reports relating to the issuance of Bonds as the Arizona Department of Revenue (the "Department") requires pursuant to A.R.S. §§ 35-501 and 502, or successor statutes thereto, and shall notify the Department of the retirement of any Bonds and of all payments of interest thereon, immediately upon such retirement or payment. Alternatively, the Bank shall agree to provisions for the making of such reports acceptable to the Bank, the Treasurer, the District and the Department. Copies of all reports shall be delivered to the Treasurer.

16. Form of Records. The Bank's records shall be

kept in compliance with standards as have been or may be issued from time to time by the Securities and Exchange Commission, the Municipal Securities Rulemaking Board of the United States, the requirements of the Code and any other securities industry standard.

17. Advice of Counsel and Special Consultants.

When the Bank deems it necessary or reasonable, it may apply to Gust Rosenfeld or such other law firm or attorney approved by the District for instructions or advice. When the Bank deems it necessary or reasonable, it may apply to a special consultant to calculate any arbitrage rebate which may be necessary to be paid to the federal government to preserve the exempt nature of interest on the Bonds from gross income for federal income tax purposes. All fees and costs incurred shall be added to the next fiscal year's fees, costs and expenses to be paid to the Bank.

18. Examination of Records. The District, the

Treasurer, the Board of Supervisors or their duly authorized agents may examine the records relating to the Bonds at the office of the Bank where such records are kept at reasonable times as agreed upon with the Bank and such records shall be subject to audit from time to time at the request of the District, the Treasurer, the Board of Supervisors, the Bank or the Auditor General of the State of Arizona. On request, the Bank will furnish the District or the Board of Supervisors with a list of the names, addresses and other information concerning the owners of the Bonds or any of them.

19. Payment of Unclaimed Amounts. In the event

any check for payment of interest on a Bond is returned to Bank unendorsed or is not presented for payment within two (2) years from its payment date or any Bond is not presented

for payment of principal at the maturity or redemption date, if funds sufficient to pay such interest or principal due upon such Bond shall have been made available to the Bank for the benefit of the owner thereof, it shall be the duty of the Bank to hold such funds, without liability for interest thereon, for the benefit of the owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Bond or amounts due thereunder. The Bank's obligation to hold such funds shall continue for two years and six months following the date on which such interest or principal payment became due, whether at maturity, or at the date fixed for redemption, or otherwise, at which time the Bank shall surrender such unclaimed funds so held to the Treasurer, whereupon any claim of whatever nature by the owner of such Bond arising under such Bond shall be made upon the Treasurer.

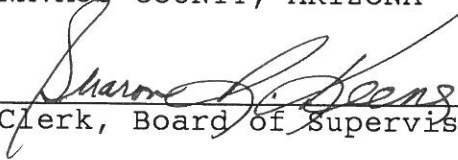
20. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision.

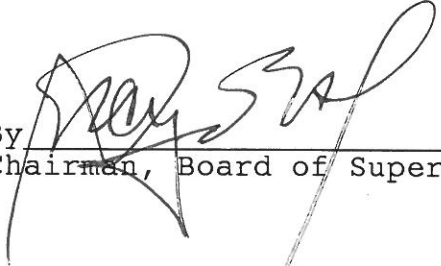
21. Initial Fee. The initial fee for services of Registrar is estimated to be \$_____. The fee for the first full fiscal year following the current fiscal year is \$_____.

22. Conflict of Interest. Each party gives notice to the other parties that A.R.S. Section 38-511 provides that the State of Arizona (the "State"), its political subdivisions or any department or agency of either, may within three (3) years after its execution cancel any contract without penalty or further obligation made by the State, its political subdivisions or any of the departments or agencies of either, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either, is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

This Agreement is dated and effective as of June 1, 1992.

ATTEST:
NAVAJO COUNTY, ARIZONA


Clerk, Board of Supervisors

By 
Chairman, Board of Supervisors
NAVAJO COUNTY TREASURER

By _____

THE VALLEY NATIONAL BANK OF ARIZONA

By _____
Its _____

APPROVED AS TO FORM:

Bond Counsel

Attach as Appendix A the fee schedule of the Registrar.

REGISTRAR'S FEE PAYMENT AGREEMENT

Joseph City Unified SCHOOL DISTRICT NO. 2 OF NAVAJO COUNTY, ARIZONA (the "District"), NAVAJO COUNTY, ARIZONA (the "County"), and the NAVAJO COUNTY TREASURER (the "Treasurer") hereby enter into this Registrar's Fee Payment Agreement (the "Agreement") dated as of June 1, 1992, which Agreement

W I T N E S S E T H :

WHEREAS, the Board of Supervisors of Navajo County, acting for and on behalf of the District wishes to issue the District's \$4,800,000 aggregate principal amount School Improvement Bonds, Project of 1992, Series A 1992 (the "Bonds"); and

WHEREAS, the Bonds will be issued in fully registered form as allowed by A.R.S. § 35-491, et seq.; and

WHEREAS, a registrar, transfer agent and paying agent must be employed to administer the registration and payment of the Bonds; and

WHEREAS, the Treasurer is charged with the responsibility of maintaining the principal and interest redemption funds for the District; and

WHEREAS, the Treasurer and the County desire to enter into a contract with a bank or trust company for services as registrar, transfer agent and paying agent with respect to the Bonds; and

WHEREAS, the District has requested that The Valley National Bank of Arizona, be named as registrar, transfer agent and paying agent and such request is hereby agreed to by the Treasurer and the County; and

WHEREAS, the District will by this Agreement agree to pay the costs and expenses of the registrar, transfer agent and paying agent and certain other costs and expenses;

NOW, THEREFORE, be it agreed as follows:

1. The Valley National Bank of Arizona (the "Registrar"), is hereby employed as the registrar, transfer agent and paying agent for the Bonds.

2. The District hereby agrees to pay all costs and expenses of the Registrar pursuant to that certain Bond Registrar, Transfer Agent and Paying Agent Contract dated as of June 1, 1992 (the "Registrar's Contract"), by and among the County, the Treasurer and the Registrar.

3. The District has agreed in its approving resolution to take all necessary actions required to preserve the tax-exempt status of the Bonds. Such actions may require the calculation of amounts of arbitrage rebate which may be due and owing to the United States. The calculation of such rebate amount may be performed by an individual or firm qualified to perform such calculations and who or which may be selected and paid by the District. If the District does not retain a consultant to do the required calculations concerning arbitrage rebate and if, in the sole discretion of the Treasurer, a rebate calculation is required to permit the District's Bonds to be and remain exempt from gross income for federal income tax purposes, the Treasurer may include, in addition to all other bills payable under this Agreement, the costs and expenses and fees of an arbitrage consultant. The Treasurer may contract with a consultant to perform such arbitrage calculations as are necessary to meet the requirements of the Internal Revenue Code of 1986, as amended, and applicable regulations (the "Code"). All fees, costs and expenses so paid may be deducted from moneys of the District held by the Treasurer or from tax levies made to pay the interest on the Bonds. Such costs, fees and expenses shall be considered as interest payable on the Bonds. This paragraph shall apply to any and all bonds issued by the District after August 15, 1986, which in the sole discretion of the Treasurer are subject to the arbitrage rebate calculations. This Agreement shall be full authority to the Treasurer to cause to be levied and collected such amounts as may be necessary to make all rebates to the United States of America.

4. Prior to July 1 of each year, the Treasurer will inform the District and the County Comptroller of the costs and expenses expected to be expended during the ensuing fiscal year with respect to services for registration, transfer and payment of the Bonds and, if applicable, for costs and expenses in connection with the calculation of arbitrage rebate. The County and the Treasurer will provide for the payment of such amount by including such amount in the interest levy for the District's Bonds.

5. Except for the initial fiscal year's costs and expenses all costs and expenses incurred with respect to services for registration, transfer and payment of the Bonds

and, if applicable, for costs and expenses in connection with the calculation of arbitrage rebate shall be treated as interest on the Bonds and will be included in the tax levy for interest debt service during each of the ensuing fiscal years. The transferor of the Bonds will be responsible for all fees and costs relating to the transfer of ownership of the Bonds.

6. In the event the Registrar resigns or is replaced, the Treasurer and the County reserve the right to appoint a successor registrar, transfer agent and paying agent who may qualify pursuant to A.R.S. § 35-491, et seq., or any subsequent statute pertaining to the registration, transfer and payment of bonds. In such event the provisions of this Agreement with respect to payment by the District shall remain in full force and effect, but the Treasurer shall then be authorized to use the funds collected for payment of the costs and expenses of the Registrar hereunder to pay the successor registrar, transfer agent and paying agent or as reimbursement if the Treasurer acts as registrar, transfer agent and paying agent.

7. If, for any reason, the amounts the District agrees to pay herein may not be paid from the annual tax levy for debt service on the Bonds, such costs shall be paid by the District from any funds lawfully available therefor and the District agrees to take all actions necessary to budget for and authorize expenditure of such amounts.

8. This Agreement shall commence the date first hereinabove written and shall continue until the date that the last payment due under the Bonds has been made. This Agreement shall not be terminated prior to the date of such last payment.

9. The form of Bond Registrar, Transfer Agent and Paying Agent Contract dated as of June 1, 1992, by and among the County, the Treasurer and the Registrar is hereby approved and the execution of such contract is recommended by the parties hereto.

10. The initial fiscal year's fees, costs and expenses for services for registration, transfer and payment of the Bonds are estimated to be \$_____. The fee for the first full fiscal year following the initial fiscal year is \$_____. The Treasurer is hereby authorized to deduct the initial fiscal year's fees, costs and expenses from Bond proceeds and cause such fees to be paid to the Registrar upon proper invoice. The Treasurer shall pay the initial fiscal year's fee from Bond proceeds and the

following year's fees from the District's annual interest levy.

11. Each party gives notice to the other parties that A.R.S. Section 38-511 provides that the State of Arizona (the "State"), its political subdivisions or any department or agency of either, may within three (3) years after its execution cancel any contract without penalty or further obligation made by the State, its political subdivisions or any of the departments or agencies of either, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either, is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

Joseph City Unified SCHOOL
DISTRICT NO. 2 OF NAVAJO
COUNTY, ARIZONA

By Jon Robertson
President, Governing Board

NAVAJO COUNTY, ARIZONA

By [Signature]
Chairman, Board of Supervisors

ATTEST:
[Signature]
Clerk, Board of Supervisors

NAVAJO COUNTY TREASURER

By _____

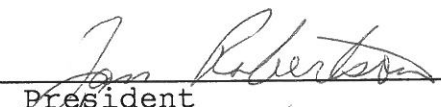
April 7, 1992

THE BOARD OF SUPERVISORS
OF NAVAJO COUNTY, ARIZONA

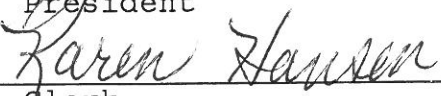
Honorable Board:

The Governing Board of Joseph City Unified School District No. 2 of Navajo County, Arizona, hereby requests that the Board of Supervisors of this County cause to be sold \$4,800,000 aggregate principal amount of School Improvement Bonds, Project of 1992, Series 1992, of this District, in accordance with the attached resolution of this Board and such proceedings to be prepared and furnished to you on behalf of the District by Gust Rosenfeld as bond counsel.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2 OF
NAVAJO COUNTY, ARIZONA



President



Clerk

Attachment: Governing Board's Resolution

EXHIBIT B

\$4,800,000
JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
OF NAVAJO COUNTY, ARIZONA
SCHOOL IMPROVEMENT BONDS
PROJECT OF 1992, SERIES A (1992)

Principal and Interest Rate Schedule

Maturity Date (July 1)	Principal Amount	Per Annum Interest Rate
1993	\$ 300,000	7.50%
1994	450,000	7.50%
1995	450,000	7.50%
1996	425,000	7.50%
1997	450,000	7.50%
1998	475,000	6.25%
1999	500,000	6.45%
2000	550,000	6.70%
2001	575,000	6.80%
2002	625,000	6.80%